

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 1954 – HB 1892

March 5, 2014

SUMMARY OF ORIGINAL BILL: Establishes electrical standards for marinas. Requires all commercial marinas to have an electrical inspection prior to April 1, 2015, and annually thereafter. Requires marinas to post signage prohibiting swimming within 100 yards of the dock. Establishes a Class A misdemeanor for violations of the bill's requirements. If a violation results in death, the penalty is increased to a Class E felony. The State Fire Marshall will be charged with enforcing the requirements of the bill.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Revenue - \$2,033,100

Increase State Expenditures – \$2,041,200

Other Fiscal Impact – If, upon inspection, locally owned marinas are found to have electrical components that do not meet the standards required by the bill, there will be an increase in local government expenditures to correct these deficiencies. The amount of such increase cannot be quantified due to multiple unknown variables such as the number of marinas owned by local entities, the state of their current electrical systems and the extent of repairs identified as necessary by the required inspection.

SUMMARY OF AMENDMENT (013296): Deletes Section 2 of the original bill and replaces it with language that establishes electrical standards for marinas. Requires all commercial marinas to have an electrical inspection between January 1, 2015 and December 31, 2017 and every five years thereafter. Requires marinas to post signage prohibiting swimming within 100 yards of the dock. Establishes a Class A misdemeanor punishable by fine only for violations. If a violation of the provisions of the legislation results in death, the penalty is increased to a Class E felony punishable by fine only. The State Fire Marshall will be charged with enforcing the requirements of the bill as amended.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase State Revenue – \$406,600

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Increase State Expenditures – \$406,600

Other Fiscal Impact – If, upon inspection, locally owned marinas are found to have electrical components that do not meet the standards required by the bill, there will be an increase in local government expenditures to correct these deficiencies. The amount of such increase cannot be quantified due to multiple unknown variables such as the number of marinas owned by local entities, the state of their current electrical systems and the extent of repairs identified as necessary by the required inspection.

Assumptions for the bill as amended:

- 300 marinas in the state would be subject to inspection.
- Because each marina would be subject to inspection once every five years, 60 inspections (300 / 5) will be conducted each year.
- The average cost of a marina inspection would be \$6,777.
- The recurring increase in state expenditures associated with the annual inspections is estimated to be \$406,620 (60 x \$6,777).
- Marinas will be charged an amount equivalent to the cost of conducting the inspections. Therefore, there will be a recurring increase in state revenue of \$406,620 (60 x \$6,777).
- Based on information provided by the Department of Commerce and Insurance (DCI), 85 percent will be paid to the contracted inspector; 15 percent will be retained by DCI for covering the cost of administration. It is assumed that 100 percent of funds retained by DCI will be expended for administering the electrical inspection program.
- There will not be a sufficient number of prosecutions for state or local government to experience any significant increase in revenue or expenditures.
- Any felony convictions would be subject to fine only.
- Due to the low number of convictions the bill would result in, it is assumed that the courts, district attorneys, and public defenders can accommodate any impact to their caseloads within existing resources.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Lucian D. Geise, Executive Director

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